FY24 Results Presentation

14th August 2024

Presenters

Andrew Russell,
Group CEO and MD

Neil Montford,
CFO

Agenda

Headlines

01 We have outperformed our upgraded guidance, delivering FY EBITDA of $25.8m and Cash EBITDA of $10m, with revenue of $250.4m in line with market guidance

02 The cost base has been materially reduced with an accumulated annualised $67m gross cost out including $15m delivered in 2H24

03 The business has a strong balance sheet with a cash balance of $90m up $14.3m in FY24 supporting a potential capital return event to shareholders in Q3 FY25[1]

04 We have transformed the business at a fast pace and have rebuilt the foundations of a quality business to now explore revenue growth opportunities

05 We expect further improvements in profitability in FY25 with Cash EBITDA guidance of $28m to $32m

1. Subject to ATO determination of favourable tax treatment. (ASX announcement 1 August 2024).

FY24 Financial Results

Materially improved financial results and exceeded guidance for FY24[1]

Profitability	Revenue	Cash Position
EBITDA $25.8m Up $26.1m vs FY23	FY24 Gross Revenue $250.4m Up 0.3% vs FY23	Net Closing Cash $90.0m Up $14.3m vs FY23
Cash EBITDA $10.0m Up $37.8m vs FY23		FY24 Net cash operating inflow $30.2m Up $35.7m vs FY23

1. Previously improved guidance on 20 February 2024

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Results FY24
(ASX: BVS)

“Reset and Energise” focus delivering accelerated performance

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FY24/FY25 Strategic Pillars

RESET AND ENERGISE		ACCELERATE FINANCIAL PERFORMANCE	
Realigning around the core	**Market-leading Technology**	**Growing with existing clients**	**Building a quality business**
▪ Listened to our clients and are aligning our operations for progression on service delivery excellence and lower cost to serve	▪ We have built a product focused capability which focuses on leveraging the market leading positions of Sonata, Alta, TA and Midwinter	▪ Create a product and technology-led culture with a focus on solving client pain points ▪ Focused on rebuilding client trust	▪ Rebuilding our employee value proposition ▪ Rebuilding our reputation with shareholders and public markets
▪ Appointed CEOs in EMEA and APAC focused on delivering to regional client and operational model specifics	▪ EMEA – Over $10tn AUA across our TA and wealth platforms ▪ Supporting 1.2m market trades a month with an average value of $1.4tn	▪ EMEA Contract renewals – 6 of 6 eligible contracts were successfully renewed with improved economics for both TA and Wealth clients ▪ Representing $48m in ARR	▪ Cash EBITDA laser focus ▪ Product level P&Ls ▪ New KPI framework to align employees to business priorities

▪ Re-aligned our business in FY24 around our key:
  ▪ Regions – EMEA and APAC
  ▪ Markets – Wealth and TA
	▪ APAC - Over 40m Alta transactions processed with 99% STP rate
	▪ Leading digital advice platform generated more than 30,000 individual statements of advice issued
		▪ APAC Contract renewals – 17 of 17 eligible contracts were successfully renewed with improved economics
		▪ Representing $7m in ARR
			▪ Fast and well executed transformation
			▪ Strong foundations built for financial outperformance in FY25 and beyond

Our updated commercial partnership with Fidelity delivers a material strategic and financial upside to BVS

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Strategic Rationale

- Allows Fidelity to continue to leverage best-in-class technologies but with flexibility for them to deliver to their specific product roadmaps timeframes and at their expense.
- Allows BVS to streamline and simplify our enterprise Sonata software platform for the benefit of our other existing and new enterprise wealth clients.
- Fidelity remains a key client of ours and one we are excited to work closely with in the future.

What changes

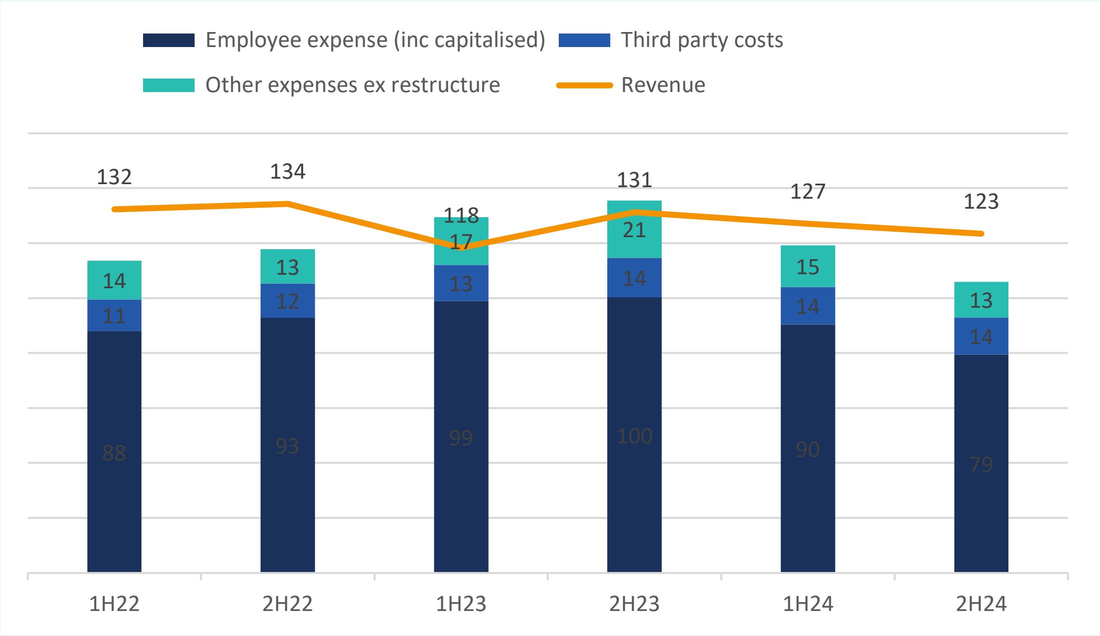
- A small number of Bravura's team who are already supporting Fidelity in India and the UK will transfer to Fidelity over the course of the next twelve months to ensure ongoing business continuity.
- In parallel Bravura will continue to provide technical and operational expertise to Fidelity as it maintains and develops Fidelity Sonata to meet its future needs.

Financial implications

- £29m paid to BVS in FY25 in two tranches for the Fidelity Sonata licence.
- Forecasted lower professional services revenue going forward from Fidelity as they establish internal capability for maintaining the Fidelity Sonata software.
- Actual estimated revenue impact to BVS is ($1.4m) in FY25, annualised ($9m).

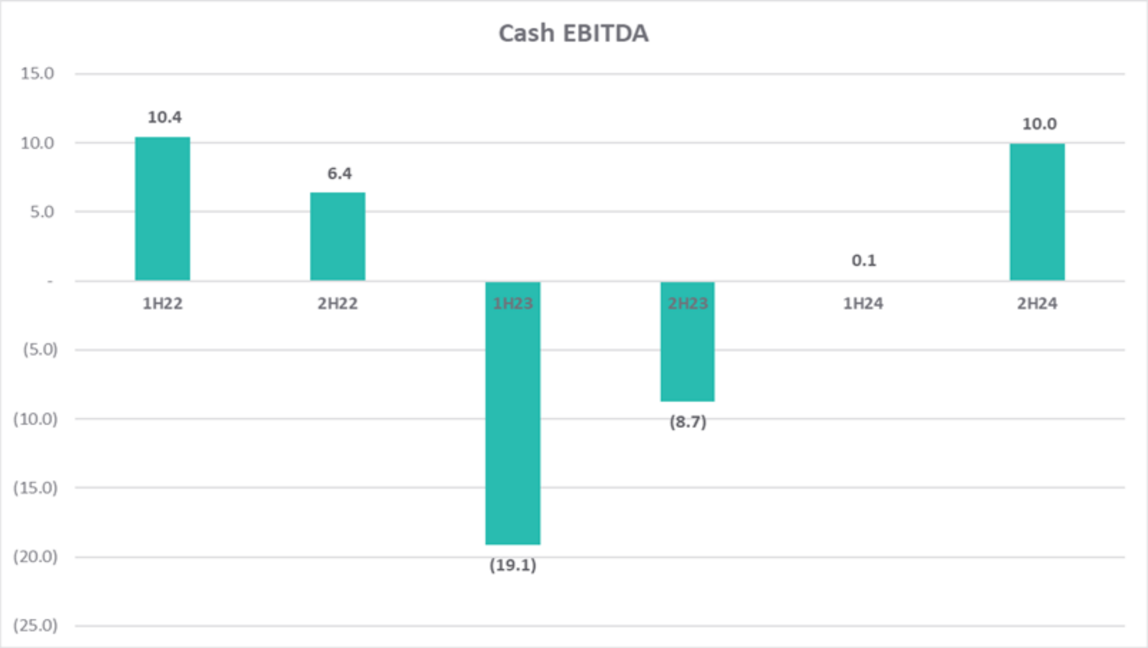
Bravura has been stabilised and reset with profitability now increasing

Revenue and Costs (A$m)



FTE	1,389	1,490	1,557	1,440	1,271	1,168

Cash EBITDA (A$m)



The pace and results of the change program have exceeded plan

Annualised gross cost savings $m

	FY23	1H24	2H24	Total savings	Exceeded plan
Organisational Realignment	**25**			**25**	✓
External Cost Reductions			**5**	**5**	✓
Optimising Operating Model		**12**	**4**	**16**	✓
Right Sizing		**15**	**6**	**21**	✓
Total	**25**	**27**	**15**	**67**	✓

COST TO EXECUTE

	FY23	1H24	2H24	Total (FY23 & FY24)
Cash	$3.6m	$8.6m	$4.3m	$16.5m
Expense	$7.6m	$4.6m	$4.3m	$16.5m
Restructure Provision	$11.9m	-$4.3m	-$2.7m	$4.9m
P&L Impact pre tax	$19.5m	$0.3m	$1.6m	$21.4m

Some of the activities in the organisational change program may occur during the start of FY25.

Surplus capital to be returned to shareholders in FY25 subject to approvals

Strategic Rationale

- Bravura continues to maintain a robust capital position with a surplus level of cash as a result of the scale, pace and efficiency of Bravura's transformation and resulting cash generation.
- The performance of the business continues to trend upwards resulting in positive cash flow momentum in FY25 plus the injection of the one-off licence fee from Fidelity International.

Options for consideration

- Capital Return
- On Market Buyback
- Dividend resumption

Decisions and next steps

- The Board announced a proposed **Capital Return to shareholders of up to $75.3m** (representing $80m FY23 capital raise less fees).[1.]
- We estimate any capital return will be paid in Q3 FY25.[1.]
- The Board has announced an **on- market share buyback of up to $20m.**
- The Board intends to **resume dividend payments** as soon as sustained profitability has been achieved.

1. Subject to the ATO determination of favourable tax treatment and shareholder approval.

FY25 Guidance Summary

Revenue

FY25 Gross Revenue[1]

$235m - $240m

▼ Down 6% - 4%

Revenue variance to FY24 primarily due to:

- Removal of one-off licence fees ($6m)
- Lower professional services fees

Profitability

EBITDA

$36m - $40m

▲ Up 40% - 55%

Profitability

Cash EBITDA

$28m - $32m

▲ Up 180% - 220%

Cash EBITDA variance to FY24 due to:

- Full year impact of cost savings achieved in FY24
- Further targeted cost reductions in FY25

1. FY25 Gross revenue excludes the one-off impact from the perpetual licence sale to Fidelity

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Results FY24
(ASX: BVS)

FY24 Results – Takeaways

01 We are successfully executing in line with our strategic pillars for FY24 and FY25 and are now able to turn our focus to building sustainable business growth

02 Our FY25 priority is to focus on solving clients pain points with our software and professional services offerings

03 The business is generating cash and is well capitalised which allows us to execute a capital return program in FY25

04 We forecast the business will deliver increasing cash EBITDA in the range of $28m - $32m in FY25

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Results FY24
(ASX: BVS)

Questions

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Results FY24
(ASX: BVS)

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Results FY24
(ASX: BVS)

01

FY24 Operating Results

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A$m	FY24	FY23	$ chg	% chg	
Wealth Management	163.1	163.6	(0.5)	**(0.3%)**	
Funds Administration	87.3	86.0	1.3	**1.5%**	
Total Revenue	250.4	249.6	0.8	**0.3%**	1
Wealth Management Margin	38.0	10.6	27.4	**258.5%**	2
Funds Administration Margin	25.4	27.9	(2.5)	**(9.0%)**	3
Unallocated Costs	(37.6)	(38.8)	1.2	**3.1%**	4
EBITDA	25.8	(0.3)	26.1	**8700%**	
Depreciation and Amortisation	(8.2)	(17.9)	9.7	**54.2%**	5
ROU lease related expense	(6.4)	(7.7)	1.3	**16.9%**	
Non-recurring items[1]	0.0	(253.9)	253.9	**100.0%**	
EBIT	11.2	(279.8)	291.0	**104.0%**	
Net Interest & FX (expense) / gain	2.0	(2.0)	4.0	**200.0%**	6
Profit before tax	13.2	(281.8)	295.0	**104.7%**	
Tax (expense) / benefit	(4.4)	1.1	(5.5)	**(440.0%)**	
NPAT	8.8	(280.7)	289.2	**103.0%**	7
Adjusted NPAT[1]	8.8	(23.1)	31.9	**138.1%**	

Key Callouts

1. Total revenue increased 0.3% in FY24 vs the pcp, driven by price increases in underlying contracts and offset by a slower professional services revenue in the second half.
2. Wealth Management margin increase of $27m driven by $23m in cost savings, $2.5m licence revenue, $1.5m in FX upside and higher fees due to contract renewals and indexation.
3. Funds Administration margin reduction of $2.5m driven predominantly by the end of a client contract ($5m), offset by $2.5m increase in project margin.
4. Unallocated costs have decreased due to targeted labour cost savings implemented offset by an increase in bonus expenses in FY24.
5. Depreciation and Amortisation decreased by 54.2% vs the pcp due to lower amortisation from impaired assets and savings in leases due to the exit of high cost offices.
6. Net Interest and FX Expense improved to $2.0m gain, mainly attributable to the improved cash and debt free position.
7. Adjusted NPAT of $8.8m represents a $31.9m increase vs the pcp figure of $23.1m loss due to an improvement in operating performance.

1. Adjusted NPAT is calculated by excluding non-recurring items. There are no non-recurring items in FY24.

01

Reconciliation of EBITDA and Cash EBITDA

A$m	FY24	FY23	$ chg	% chg
EBITDA to Cash EBITDA				
Revenue	250.4	249.6	0.8	0.3%
Less: Operating Expenses	(233.6)	(274.2)	40.6	14.8%
Add back: Developed Software capitalised	2.6	16.6	14.0	84.3%
Add back: Right of Use Asset	6.4	7.7	1.3	16.9%
EBITDA	**25.8**	**(0.3)**	**26.1**	**8,700%**
Less: PPE Capex net of disposals	(3.5)	(3.3)	(0.2)	(6.1%)
Less: Developed Software capitalised	(2.6)	(16.6)	14.0	84.3%
Less: Right of Use Asset	(6.4)	(7.7)	1.3	16.9%
Less: Material upfront licence fee revenue recognised	(1.9)	-	(1.9)	100%
Cash EBITDA	**10.0**	**(27.8)**	**37.8**	**136.0%**

Descriptions

1. **EBITDA** Operating Revenue minus Operating Costs adding back capitalised development costs and depreciation on right of use assets and interest on lease liabilities (both accounted under IFRS 16).
2. **Cash EBITDA** provides the cash result for the business. It includes Revenue less Operating Costs by adding the cost of Developed Software that has been capitalised, the cash paid for PPE Capex purchased, and adjustment for material revenue recognised upfront with cash received over time.
3. **Development Software capitalised** is the costs of developing software products where a clear investment case has been approved that identifies sustained future economic benefit for clients. Early stage development is not included in this amount as it is not capitalised.

01

Balance Sheet

A$m	30 June 2024	30 June 2023	$ chg	% chg	
Cash	90.0	75.7	14.3	18.9%	1
Trade receivables	39.6	56.6	(17.0)	(30.0%)	2
Contract assets	19.2	26.8	(7.6)	(28.4%)	3
Intangible assets	35.6	36.4	(0.8)	(2.2%)	
PP&E and Right of Use assets	27.8	38.6	(10.8)	(28.0%)	4
Other assets	17.0	20.4	(3.4)	(16.7%)	
Total assets	229.2	254.5	(25.3)	(9.9%)	
Trade and other payables	9.6	17.9	(8.3)	(46.4%)	5
Contract liabilities	33.0	36.5	(3.5)	(9.6%)	3
Lease liabilities	17.4	27.8	(10.4)	(37.4%)	6
Other liabilities	35.5	46.4	(10.9)	(23.5%)	7
Total liabilities	95.5	128.6	(33.2)	(26.0%)	
Net assets	**133.7**	125.9	7.8	6.2%	

Key Callouts

1. Cash has increased due to strong collection activities and cash cost savings from reduced employment expenses.
2. Trade debtors have trended down due to an enhanced focus on cash collection and a more efficient invoicing process.
3. Contract assets and liabilities have declined as customer contract renewals shifted from a financial year to a calendar year timeline.
4. PPE reflects depreciation for the period and the reduction in right of use assets with the exit of a number of leases.
5. Trade and other payables have decreased in line with a reduction in expenses and one major supplier which was paid in early July relating to the FY23 balance.
6. Lease liabilities have decreased as high cost leases were exited during FY24.
7. Other liabilities include provisions for organisation change and leave which have been reduced as employees have exited.

Cash Flow to June 2024

A$m	FY24	FY23
Receipts from customers	298.4	242.0
Payments to suppliers and employees	(267.3)	(245.2)
Interest received	2.4	0.5
Income taxes paid	(3.3)	(2.8)
Total operating cash flow (direct method)	30.2	(5.5)
Purchase of property, plant and equipment	(3.8)	(2.8)
Payments for capitalised software development	(2.7)	(16.4)
Contingent consideration	0.0	(4.9)
Total investing cash flow	(6.5)	(24.1)
Proceeds from share issue (net of costs)	0.0	75.3
Finance costs paid	(0.3)	(1.2)
ROU lease payments (incl interest)	(8.6)	(9.8)
Dividend paid	0.0	(8.0)
Total financing cash flow	(8.9)	56.3

1

2

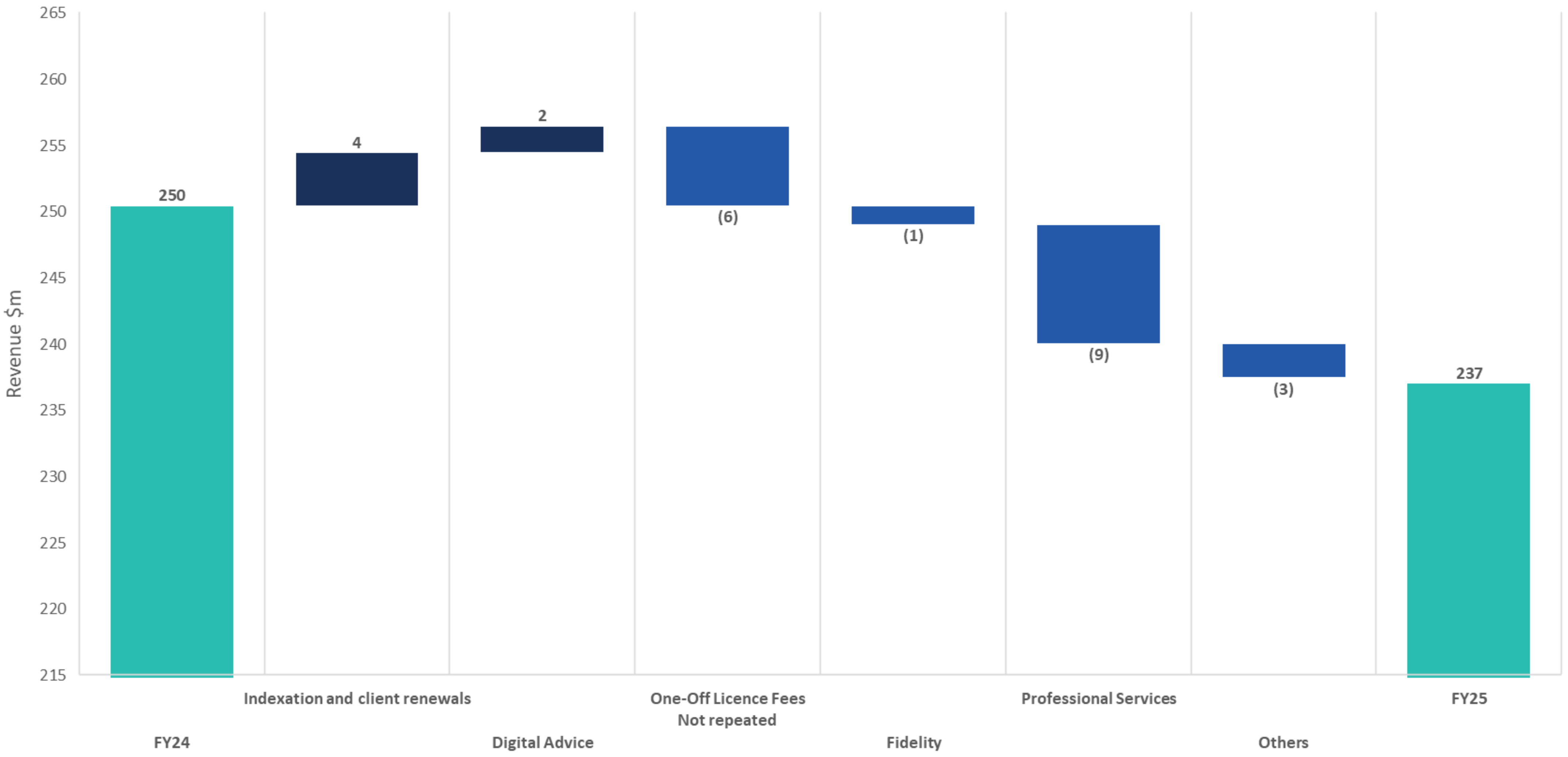
FY24 Cashflow	**A$m**
Cash at 30 June 2023	75.7
Operating cash flow	30.2
Investing cash flow	(6.5)
Financing cash flow	(8.9)
Effects of exchange rate changes on cash and cash equivalents	(0.6)
Cash at 30 June 2024	90.0

Key Callouts

1. Operating cash flow has increased significantly in FY24 reflecting strong focus on debt collection and invoicing.
2. Payments for capitalised software development are lower than FY24 due to a focus on reprioritising spend to reflect client requirements and needs.

01

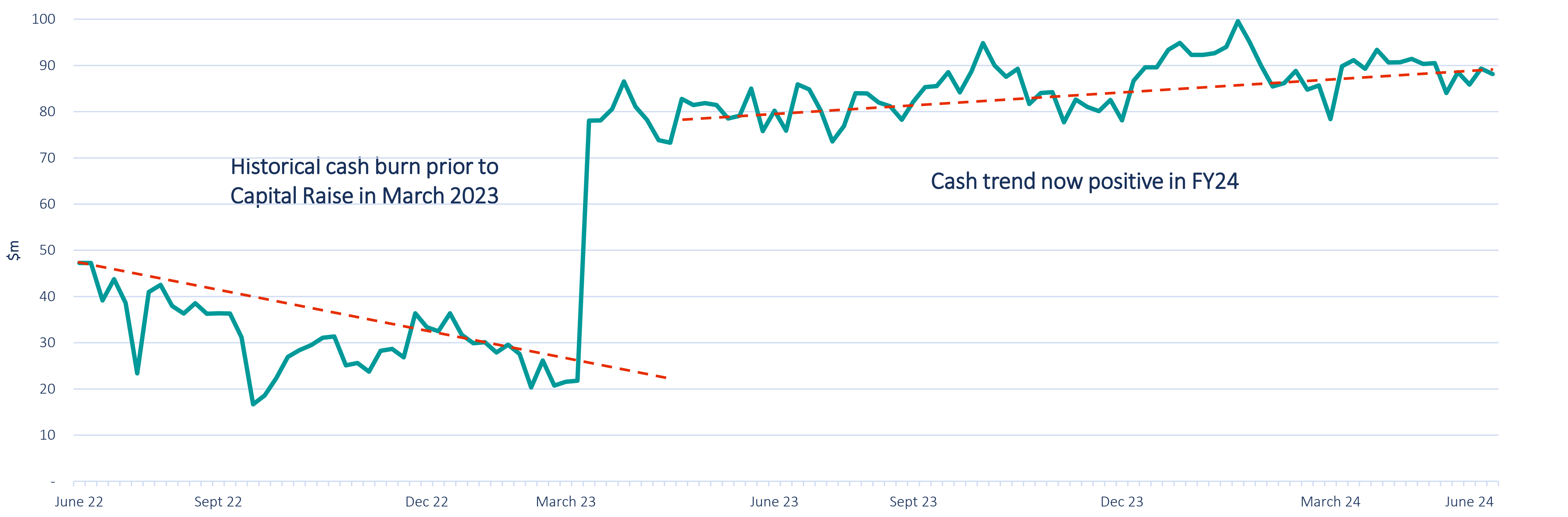
FY24 to FY25 revenue walk



02

Cash burn stabilised and turned to cash generating

Cash closing balance



03

Strategy on a page

Together we create technology that reshapes how organisations and people prosper

Our market leading platforms power the core for wealth providers and fund managers and enables them to secure their customers' financial future

RESET AND ENERGISE

- Realigning around the core
- Market-leading technology

ACCELERATE FINANCIAL PERFORMANCE

- Growing with existing clients
- Building a quality business

ENGAGE HEARTS & MINDS

Our people: Invest in people and operate with best-in-class ways of working

DRIVE HIGH PERFORMANCE CULTURE

Our clients: Deliver high value, consistent and focused services

DELIVER VALUE

Our shareholders: Rebuild trust and grow shareholder value

OUR VALUES

- DO THINGS RIGHT
- WORK TOGETHER
- TAKE CHARGE
- MAKE A DIFFERENCE

Our product strategy focuses on addressing client pain points whilst creating sustainable future products

Businesses Sustainability

Quality and Supportability

- Maintaining and improving our existing products to address client pain points and increase operational efficiencies

Simplification

- Streamlining and standardising our products and processes to improve performance, reduce complexity and enhance usability

Modernisation

- Updating our product capabilities and environments to keep them relevant for today's market and future-ready to attract new clients

Promote growth

Enablement and Componentisation

- Increasing the enablement capabilities in our product suite through disaggregating our products into modular components that can be independently developed, managed and upgraded

Data & AI

- Optimising data and incorporating AI to create enhanced experiences in our product processes and streamline operations, uplifting delivered insights

Digitisation & Integration

- Transform our products with digital-native capability and integrating within our architecture and introducing third party systems for additional/new functionality

04

Servicing blue chip customers in EMEA and APAC regions

Europe (including UK)
Funds Admin
- £ 3.3TN FUA

Babel
- £ 11TN deal/transactions processed per annum

Australia
Digital Advice
- 3.4m+ Australians have access to our digital advice solution

Sonata Alta
- Over 3.4m transactions per month processed through Sonata Alta

South Africa
Wealth and Insurance
- 4 clients @ ZAR $34BN FUA

New Zealand
Wealth
- 38% market share of KiwiSaver based on account volumes

Insurance
- Sonata underpins 2 of the top 4 life insurers in NZ

05

The Bravura value proposition is to simplify complexity, automate for efficiency and reduce operational risk

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Two Key Lines of Business	Underpinning Financial Services Products
Wealth and Advice Transfer Agency (TA) / Funds Administration	▪ Wrap platforms ▪ Superannuation and pension ▪ Life insurance ▪ Private wealth and portfolio admin ▪ Funds administration ▪ Financial planning software ▪ Unit registry

Solving Customer Pain Points

- Simplify complexity of manual back-office processes
- Automation at scale
- One source of record
- Digitisation

05

Our technology provides leading Registry, Digital, Data and Automation products

	WEALTH AND ADVICE	FUNDS ADMIN
CUSTOMER REGISTRY	Sonata, Garradin	Rufus, GFAS, GTAS
DIGITAL	BravuraDigital, midwinter (a Bravura company)	taWeb
AUTOMATION	SonataAlta, Orchestrator	Babel
MODULAR	FinoComp (a Bravura Company), delta (FINANCIAL SYSTEMS)	

- Core Registry Leadership
- Market focused product capability
  - Best of breed **Digital Advice**
  - Market level **Data**
  - Deep **Automation integration**
- Scalable **cloud first** SaaS model

Technology focused response to solve customer pain points

Glossary

APAC
Asia and Pacific Region

Cash EBITDA / EBITDAC
Operating revenue minus operating costs less development costs, capex, lease costs and one-off revenue adjustments

Development Software capitalised
Costs of developing software products where a clear investment case has been approved that identifies sustained future economic benefit for clients.

EBITDA
Operating revenue minus operating costs, adding back depreciation on right of use assets and interest on lease liabilities

EMEA
Europe, Middle East and Africa region

Employee benefits expense
Includes salary and wages, defined contribution superannuation and pension expense, share-based payments, other employee expenses

External cost reduction
Closing and resizing offices in Australia, UK and NZ and the renegotiation of hosting and IT partnerships

FA / Transfer Agency
Funds Administration which is also known as Transfer Agency

FUA
Funds Under Administration

Gross cost out
Cost savings resulting from structural or other permanent change. This does not factor in underlying inflationary changes to the core cost base

Organisational Realignment
Reduction in management layers and duplication

Optimising operating model
Integrating our acquisitions and optimising our geographic locations onshore / offshore mix

PCP
Prior Corresponding Period

RFI
Request for Information

Right Sizing
Capacity reductions as projects wind down

SaaS
Software as a Service

WM
Wealth Management

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